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INFO RUEHBJ/AMEMBASSY BEIJING 1438
RUEHCN/AMCONSUL CHENGDU 1179
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C O N F I D E N T I A L HONG KONG 002413

SIPDIS

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STATE PASS TO EAP/CM NICODEMUS AND OES/E

E.O. 12958: DECL: CONTRACT AWARD ANNOUNCEMENT
TAGS: [ENRG](#) [SENV](#) [PGOV](#) [HK](#) [CH](#)
SUBJECT: PEARL RIVER DELTA AIR POLLUTION FEASIBILITY
STUDIES ON THE WAY

Classified By: EP Chief Laurent Charbonnet. Reason 1.4b

¶1. (C) The Hong Kong government will announce the commencement of two precedent-setting regional air pollution feasibility studies at the end of September. These studies, sponsored by the Hong Kong and Guangdong Provincial Governments, are focused on the Pearl River Delta of Southern China. The first is "Major Industrial Air Pollution Sources in the Pearl River Delta", and the second is "Volatile Organic Compound (VOC) Photochemical Ozone Pollution in the Pearl River Delta." Both studies will be awarded to the U.S. company ENSR/AECOM. These studies will serve as the foundation for the two governments to establish new Air Quality Objectives (AQOs) for a region grappling with outdated policies, and significant air pollution challenges.

¶2. (SBU) Background: Peter Louie, Senior Environmental Protection Officer in the Air Science Group at the Hong Kong Environmental Protection Department (EPD), on September 5, told Econoff in confidence that Hong Kong EPD soon would announce these contract awards and commencement of the studies.

The Air Pollution Feasibility Studies

¶3. (C) Hong Kong EPD's Air Science Group believes that sharing accurate and transparent data is the most critical element in developing a solution to the worsening air pollution in the Pearl River Delta (PRD). Hong Kong and Guangdong governments, through the PRD Regional Air Quality Monitoring Network, share information in the form of a dedicated Internet line that delivers real-time air quality data from Guangdong's thirteen official air monitoring stations to Hong Kong. (Note: The first results from the network were publicly released in October 2006, and now are released annually.) The commencement of the Major Industrial Air Pollution Sources and Volatile Organic Compound (VOC) Photochemical Ozone Pollution feasibility studies mark the next phase of partnership undertaken by the two governments to assess the region's pollution sources comprehensively and in-depth. World-recognized technical experts from U.S. company ENSR/AECOM, will assist in the studies, said Louie.

4 (C) The EPD has the lead in Hong Kong and in the tendering of these two contracts, while its mainland Chinese partner is the Guangdong Environmental Protection Bureau (GDEPB). The industrial study has funding of over USD \$1.2 million and will take place over 24 months. The VOC study also has funding of over USD \$1.2 million and will take place over 36

months. A number of U.S. and European companies competed for the contract. Louie indicated that technical expertise was the most important evaluation criteria, outweighing contract costs. ENSR/AECOM was not the low cost bidder, but was the "best company", and U.S. expertise was well demonstrated.

15. (C) The feasibility studies' results are expected to be controversial, as the mainland continues to hold emissions inventory data as a "state secret," only releasing the data selectively on a project-by-project basis. However, EPD believes that these studies can assist Guangdong Province in becoming the mainland's leader in addressing air pollution. Note: EPD officials have frequent and positive interactions with the California Environmental Protection Agency and Air Resources Board and would like to emulate California's success in reducing air pollution. End Note.
Cunningham